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Message Text

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73
ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 DRC-01 /145 W
---------- 024385
R 071921Z MAR 74
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 2933

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E.O. 11652: N/A
TAGS: ENRG, ETRD, VE
SUBJECT: TRADE AND INVESTMENT OPPORTUNITIES ARISING FROM
ENERGY SITUATION

REF: STATE 040537

1. EMBASSY AGREES THAT REVENUE WINDFALL OBTAINED BY VENEZUELAN GOVERNMENT FROM HIGHER PRICES FOR ITS PETROLEUM (ESTIMATED AS HIGH AS $10 BILLION FOR 1974) SHOULD RESULT IN SIGNIFICANT INCREASE IN EXPORT OPPORTUNITIES FOR US. MANY OF THESE OPPORTUNITIES HAVE BEEN OUTLINED EARLIER IN VARIOUS REPORTS INCLUDING CARACAS A-24, "EMBASSY EMPHASIS ON REPRESENTING US COMMERCIAL INTERESTS"; CARACAS 1124, "RECOMMENDED COMMERCIAL OBJECTIVES FY-1974"; CARACAS A-029, "CASP FOR VENEZUELA"; AND CARACAS A-52, "ECONOMIC TRENDS REPORT". OPPORTUNITIES WILL BE EXPANDED AND DEFINED MORE PRECISELY AS NEW VENEZUELAN GOVERNEMTN FORMULATES ITS AGRICULTURAL AND INDUSTRIAL DEVELOPMENT POLICIES. THESE MAJOR EXPENDITURES WILL BE SPREAD OVER PERIOD OF YEARS.

2. OUTGOING FINANCE MINISTER OBERTO INDICATED THAT GOVERNMENT MAY MAKE HALF OF INCREASED OIL REVENUES AVAILABLE TO LDC'S. PARTICULARLY LATIN AMERICAN THROUGH CREATION OF NEW DEVELOPMENT FUND OR INVESTMENT
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IN EXISTING DEVELOPMENT INSTITUTIONS. OTHER HALF WOULD BE INVESTED

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FOREIGN SECURITIES DESIGNED TO PROVIDE CONSTANT LONG-TERM RETURN TO VENEZUELAN ECONOMY. IN THIS CONNECTION EMBASSY UNDERSTANDS REPRESENTATIVES OF FOREIGN BANKS AND INVESTMENT FIRMS (INCLUDING CHASE MANHATTAN) HAVE BEEN DISCUSSING WITH GOV FINANCIAL OFFICIALS POSSIBILITIES FOR FOREIGN PORTFOLIO INVESTMENT OF EXCESS OIL REVENUE.

3. EMBASSY UNAWARE OF ANY PLANS BY OUTGOING ADMINISTRATION CONCERNING DIRECT INVESTMENT ABROAD. INTENTIONS INCOMING ADMINISTRATION REGARDING USE OF INCREASED REVENUE NOT KNOWN SINCE AS OF NOW PRINCIPALS
FOR CABINET POSTS HAVE NOT YET BEEN OFFICALLY DESIGNATED.
MCCLINTOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, IMPORTS, INVESTMENT OPPORTUNITIES, FOREIGN TRADE, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Errors: N/A
Film Number: n/a
From: CARACAS
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19740362/aaaacfgu.tel
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Previous Handling Restrictions: n/a
Reference: STATE 040537
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Review Comment: n/a
Review Content Flags:
Review Date: 23 SEP 2002
Review Event:
Review Exemptions: n/a
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